

SUBCOMMITTEE #3: Health & Human Services

Chair, Senator Bill Monning

Senator Mark DeSaulnier
Senator Bill Emmerson



May 21, 2013

9:30 a.m.

Room 4203, State Capitol
(John L. Burton Hearing Room)

AGENDA Part 2
(Joe Stephenshaw)

4440 Department of State Hospitals

Vote Only

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- (2) Personal Duress Alarm System - Reappropriation 2

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Vote Only

Issue 1 – CONVERT CONTRACT TO CIVIL SERVICE POSITIONS

Governor's Proposal. The May Revision proposes authority for 22 new permanent positions and funding to be transferred from contracts in the Sex Offender Commitment Program and the Mentally Disordered Offender Program.

Background. The Department of State Hospitals (DSH) states that this transfer from contracted positions to state civil service will allow the affected programs to hire civil service psychologists to meet the current workload, and comply with Government Code (GC) Section 19130(b)(3).

Recommendation. Approve as proposed.

Issue 2 –PERSONAL DURESS ALARM SYSTEM PROJECTS - REAPPROPRIATION

Governor's Proposal. The May Revision proposes the reappropriation of unencumbered funds for the Personal Duress Alarm System (PDAS) projects.

Background. DSH explains that the unencumbered funds from 2012-13 resulted from initial implementation delays with the PDAS at Napa State Hospital, which caused upgrade delays at Metropolitan and Patton State Hospitals in the current fiscal year. The 2012 Budget Act included \$22.8 million General Fund for the PDAS, and the remaining balance, \$5.4 million, of that amount is to be reappropriated to the budget year.

Recommendation. Approve as proposed.

California Department of State Hospitals (4440)

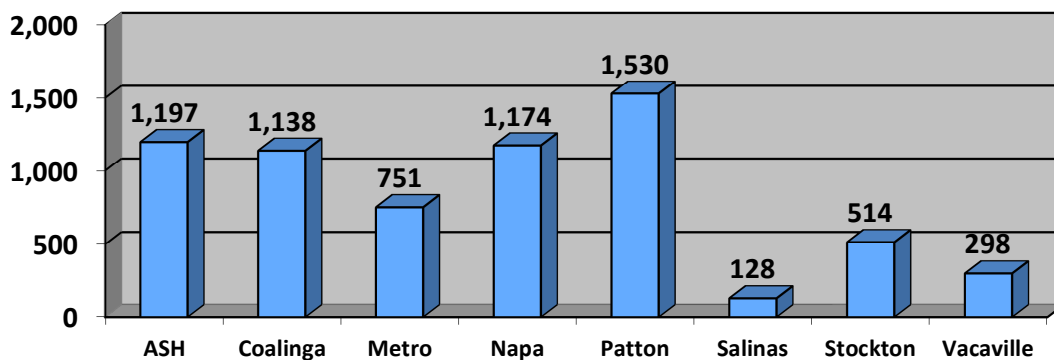
The California Department of State Hospitals (DSH) operates five state hospitals throughout California, including: Atascadero State Hospital (San Luis Obispo County), Coalinga State Hospital (Fresno County), Metropolitan State Hospital (Los Angeles County), Napa State Hospital (Napa County), and Patton State Hospital (San Bernardino County). Each state hospital provides inpatient treatment services for Californians with serious mental illnesses. Additionally, the department operates two correctional programs, Salinas Valley Psychiatric Program and Vacaville Psychiatric Program, and is in the process of opening a third correctional program at the California Health Care Facility in Stockton in the budget year.

The majority of the state hospital population, approximately 92 percent, is forensic-or penal code-related. Major categories of state hospital patients include:

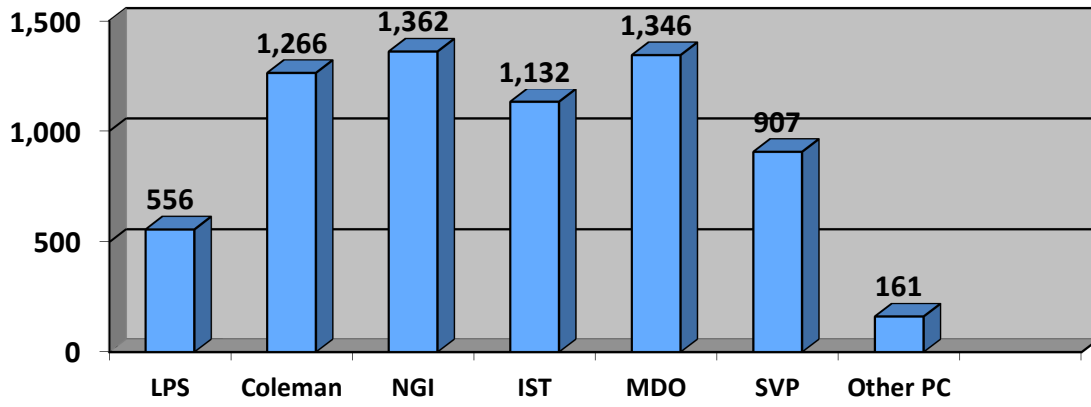
- Judicial commitments directly from superior courts - Not Guilty by Reason of Insanity (NGI) and Incompetent to Stand Trial (IST)
- Civil commitments as Sexually Violent Predators (SVPs)
- Referrals/transfers from California Department of Corrections and Rehabilitation (CDCR), including Mentally Disordered Offenders (MDOs) and Parolees
- Civil commitments from counties under the Laterman-Petris-Short Act

As of the May Revision, DSH projects providing inpatient mental health treatment services to approximately 6,730 patients in 2013-14.

**Estimated State Hospital Population
2013-14**



**Estimated Patient Casepoad by Commitment
2013-14**



Issue 1 – CONTINUED ACTIVATION OF THE CALIFORNIA HEALTH CARE FACILITY AND ASSOCIATED REDUCTIONS AND RETENTIONS

Governor's Proposal. The May Revision contains four proposals related to staffing at the three CDCR psychiatric facilities, including:

1. \$4.2 million GF (partial year, \$8.4 million full year) and 44.3 positions (partial year, 59 full year) to increase the staff at the California Health Care Facility (CHCF) in Stockton to adjust relief factors for staff at CHCF, consistent with existing hospital standards, and ensure sufficient staffing ratios for appropriate treatment.
2. A decrease of \$22.6 million GF and 164.2 positions at the Salinas Valley Psychiatric Program (SVPP) and the Vacaville Psychiatric Program (VPP) to reflect the migration of 450 beds to the CHCF.
3. \$8.4 million GF and 117.2 positions to be retained at VPP and SVPP to improve treatment for patients at these two facilities.
4. \$1.4 million GF and 19.0 positions to be transferred from VPP and SVPP to Sacramento.

Background. The *Coleman* federal court monitors the provision of mental health care of California's prison inmates, as the result of a class-action lawsuit brought against the California Department of Corrections and Rehabilitation (CDCR) asserting that they were not providing adequate mental health care to inmates. Because of remedies required by the *Coleman* court, when inmates require inpatient mental health care, they are referred to DSH, which places them in either the SVPP or the VPP.

In November 2009, the CDCR, working collaboratively with the Federal Receiver overseeing inmate medical care, filed a Long-Range Integrated Strategy Plan to reduce overcrowding and provide for increased medical and mental health treatment beds. Construction of the CHCF was included in the long-range plan and is key to ultimately satisfying both the *Coleman* and *Plata* (medical) courts.

The CHCF is currently under construction, with intake of inmates scheduled for July 22 of this year. The facility will include 1,722 beds of all security levels and will provide all necessary support and rehabilitation program spaces. CHCF establishes specialized housing with necessary treatment for a population of seriously and chronically, medically and mentally ill inmates. Within CHCF, DSH will be responsible for 514 licensed and Joint Commission accredited beds, which will be known as the Stockton Psychiatric Program (SPP). These beds will include 432 intermediate level-of-care beds for high-level (custody level IV) inmates and 82 acute level-of-care beds, which will serve inmates of all custody levels.

The Governor's budget included \$114.9 million and 931 positions for DSH's beds at CHCF. DSH states that it has undertaken outreach and education efforts to affected staff at Vacaville and Salinas, thereby providing information about employment opportunities at SPP. The hiring plan has been phased in over a two-year period to

accommodate building activations, licensing and patient movement plans. DSH expects to fill all positions by December 2013. The January budget did not include the savings from staff reductions at VPP and SVPP, and DSH indicated that this savings would be reflected in the May Revision.

The subcommittee reviewed this issue and proposal on April 18, 2013 and approved of the requested resources for CHCF of approximately \$100 million GF.

May Revise

The May Revision has four proposals related to the activation of the new CHCF in Stockton:

- 1) **An increase in staff at CHCF (Stockton).** DSH proposes 59 additional staff above the 931 included in the CHCF staffing plan, and \$8.4 million GF for full year resources. According to DSH, they took a closer look at staffing needs and made an assessment that a higher level of staffing is appropriate and necessary.
- 2) **The expected transfer of staff from Vacaville and Salinas to Stockton.** Based strictly on current staffing levels and the number of "beds" transferring from Vacaville and Salinas to Stockton (described as the "Blueprint"), the reduction of staff at VPP and SVPP would be 486.5 (full year positions) for savings of \$45.2 million.
- 3) **An increase in retained staff at Vacaville and Salinas.** Rather than taking the full reduction in staff and savings, as could be projected based on patient migration to Stockton, DSH is proposing to retain approximately 234.2 full-year positions at VPP and SVPP, thereby reducing savings by \$22.3 million (to \$22.9 million). DSH expects to lay-off 133 despite this proposed retention.
- 4) **Centralization of Psychiatric Program Administration.** DSH is proposing to transfer 19 positions and \$1.4 million from VPP and SVPP to Sacramento for oversight of fiscal, personnel and risk management.

	Reduction Based on Current Staffing				May Revision Proposal			
	Full-Year		Half-Year		Full-Year		Half-Year	
	Position Reduction	Funding Reduction	Position Reduction	Funding Reduction	Position Reduction	Funding Reduction	Position Reduction	Funding Reduction
Salinas	-271.5	-\$24.8	-135.8	-\$12.4	-189.5	-\$16.1	-94.8	-\$9.1
Vacaville	-215.0	-\$20.4	-107.5	-\$10.2	-62.8	-\$6.9	-31.3	-\$5.1
Total	-486.5	-\$45.2	-243.3	-\$22.6	-252.3	-\$22.9	-126.1	-\$14.2

The proposed retention of staff includes the following positions:

- Patient Treatment Teams (30 registered nurses)
- Patient Admission and Discharge (21 positions, various classifications)
- Patient Escorts and Staff Relief (167 Medical Technical Assistants)

- Centralized Administration (19 positions, various classifications)

Staff Comment. DSH reports that the staffing levels for the three CDCR programs included in these May Revise proposals are based on the department's assessment of staffing needs. However, staff has not been provided with sufficient information to determine whether the department's requests are justified. In addition, it is unclear why the proposed staffing augmentations contained in these requests could not have been included in the Governor's Budget or April Finance Letters, allowing the Legislature appropriate time to review.

The subcommittee approved of the resources for Stockton earlier this year with the expectation that substantial savings would be contained in the May Revise, as patients and staff transfer from VPP and SVPP. Instead, DSH has reinvested a significant portion of those savings into increased staff. It is surprising and unclear as to the reasons that this need for additional staff was unknown to DSH prior to the May Revision.

Recommendation. Approve the decrease of \$22.6 million GF and 164.2 positions at the Salinas Valley Psychiatric Program and the Vacaville Psychiatric Program to reflect the migration of 450 beds to the DSH - Stockton. Hold open the remaining proposals.

Issue 2 – PATIENT MANAGEMENT AND BED UTILIZATION

Governor's Proposal. The May Revision proposes \$1.8 million General Fund and 18 positions to establish a Patient Management Unit.

Background. The proposed Patient Management Unit will be dedicated to managing patient bed needs in order to maximize the utilization and capacity of state hospitals. The unit is planned to increase patient security by providing improved placements. It will also help to reduce wait lists by identifying all available beds throughout the hospital system, by maintaining a centralized patient population data repository to track patient referrals, transfers, wait lists, rejections, and demographics. This unit will be responsible for coordination of county bed purchases and the coordination of county placements for new admissions, establishment and oversight of patient placement resolution and appeal processes, management of patient data and liaison functions between DSH, California Department of Corrections and Rehabilitation and county clinicians.

The department currently is in the process of transforming the state's hospitals into an actual hospital system, from its historical mode of operation which has been as a collection of distinct, independent facilities. Within this vein, current practice is for judges or courts throughout the state to refer patients specifically to the hospital that is geographically closest, regardless of the availability of space at that, and the other hospitals, at any given time. The referrals also lack any consideration of the fact that the facilities are not all the same and have varying abilities to meet different types of patient needs.

The proposed unit includes four positions dedicated to data collection and management and research. DSH states that these positions, in addition to other responsibilities, would be responsible for taking on research projects to help the state better understand the state hospitals' population and answer questions, such as what are the causes of the increase in the wait list.

Staff Comment. Currently, there is no coordination between the facilities with regard to waiting lists, patient referrals, space available, and the redirection of referrals to more appropriate facilities. Nevertheless, Legislative staff lack sufficient time to fully evaluate the workload justification for the proposed number and types of staff being proposed for the new unit.

Recommendation. Hold open.

Issue 3 – ACTIVATION OF ADDITIONAL INTERMEDIATE CARE AND ACUTE UNITS

Governor’s Proposal. The May Revision proposes \$22.1 million (\$16 million General Fund and \$6.1 million reimbursements) and 173 positions to increase treatment capacity by 155 beds.

Background. DSH has indicated a steady increase in the waiting list for state hospital beds, from an average of 250 per week to the current size of approximately 382. In response, DSH is proposing to activate four new units and the conversion of one unit at three state hospitals, for a total increase of 155 beds, to address the wait lists for Incompetent to Stand Trial (IST) and Mentally Disordered Offender (MDO) commitments.

DSH has indicated to staff that they began implementing this expansion in February of this year. DSH will absorb current year (2012-13) costs, and this request for \$22.1 million is for the budget year, 2013-14. The specific number of new beds, their location and intended patient type is described in the table below:

HOSPITAL	# NEW BEDS	POPULATION SERVED
Atascadero	35	IST
Coalinga	35	MDO
Coalinga	50	SVP
Metropolitan	35	LPS
Atascadero (conversion)	35	IST
Vacaville (temporary activation)	37	PC 2684
TOTAL	155	

IST - Incompetent to Stand Trial

MDO - Mentally Disordered Offender

SVP - Sexually Violent Predator

LPS – Lanterman-Petris-Short (Civil Commitments)

Staff Comment. Staff recognizes that DSH must address the size and growth of the patient waitlist and this proposal appears to be a step in the right direction. However, DSH has reported that they started implementing this plan in February of this year. As such, it is not clear why the department has chosen to wait until the May Revision to provide this request to the Legislature, allowing staff little time to evaluate the merits.

Recommendation. Hold open.